

Message Text

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ACTION AF-18

INFO OCT-01 EUR-25 ISO-00 EB-11 COME-00 TRSE-00 OMB-01

SS-20 NSC-10 AID-20 L-03 IGA-02 CIAE-00 INR-10

NSAE-00 RSC-01 DRC-01 /123 W
----- 082335

P 061832Z FEB 74

FM AMEMBASSY LONDON

TO SECSTATE WASHDC PRIORITY 7762

INFO AMEMBASSY ACCRA PRIORITY

AMEMBASSY BONN PRIORITY

AMEMBASSY ROME PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 LONDON 01701

E.O. 11652: XGDS-1

TAGS: EAID, EFIN, PFOR, IBRD, GH

SUBJECT: GHANA DEBT: SECOND ROUND NEGOTIATIONS

REF: LONDON 1611

1. IN FOLLOW-UP TO REFTEL WE CALLED GORDON BAKER AT FCO ON FEBRUARY 6. BEFORE DISCUSSING ASANTE'S FEBRUARY 5 CONVERSATION WITH LEQUESNE, BAKER RE-EMPHASIZED BRITISH VIEW THAT ASHLEY-LASSEN HAD BEEN SENT TO LONDON BY GOG ON A "FISHING EXPEDITION." HE SAID THAT THIS SUSPICION HAD BEEN SUBSTANTIATED BY REPORT BRITISH RECEIVED FROM REITTER.

2. BAKER SAID LEQUESNE WENT OVER DRAFT AGREED MINUTE WITH ASANTE AFTER HAVING PLACED ONUS ON ASANTE TO IDENTIFY WHAT GHANAIS FOUND OBJECTIONABLE. ASANTE IMMEDIATELY ASKED THAT POST-NKRUMAH DEBTS BE INCLUDED. BRITISH FLATLY REFUSED, POINTING OUT THAT THIS WOULD BE BAD PRECEDENT AND THAT THESE DEBTS ARE RESPONSIBILITY OF A SOVEREIGN GOVERNMENT AND SHOULD BE PAID UP PROMPTLY. ASANTE THEN ASKED FOR "REVERSE MOST FAVORED NATION CLAUSE." BRITISH AGAIN FLATLY REFUSED,
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STATING THAT ITS INCLUSION WOULD BE COMPLETELY

ILLOGICAL AND THAT THERE ARE NO PARALLELS BETWEEN GHANA CASE AND THAT OF OTHER GOVERNMENTS.

3. ON QUESTION OF STARTING DATE FOR NEW AGREEMENT, ASANTE REITERATED GOG PROPOSAL OF FEBRUARY 1, 1972. BRITISH COUNTERED WITH CREDITOR PROPOSAL OF JULY 1, 1972. ASANTE FINALLY ACCEPTED THIS DATE BUT ON CONDITION THAT "CATCH-UP" PAYMENTS BE RESCHEDULED. IF CREDITORS AGREE TO THIS, GOG WOULD BRING UP TO DATE THOSE PAYMENTS DUE PRIOR TO FEBRUARY 1, 1972 UNDER PREVIOUSLY AGREED MINUTE WHETHER OR NOT BILATERAL AGREEMENTS ARE CONCLUDED WITH ALL PARTIES. BRITISH THINK THAT THIS WOULD BE VERY SMALL CONCESSION FOR CREDITORS TO MAKE IN ORDER TO OBTAIN GHANAIAN AGREEMENT THIS POINT AND FCO WILL SHORTLY CIRCULATE PROPOSAL TO THIS EFFECT.

4. WITH REGARD TO SHORT TERM DEBTS, LEQUESNE REITERATED PREVIOUS POSITION. ASANTE WAS NON-COMMITAL BUT AGREED TO CONSULT WITH GOG. AS FOR CONTRACTS, BRITISH TOLD ASANTE THAT EVEN WITH BEST WILL POSSIBLE, THEY CANNOT PRODUCE ALL THE CONTRACTS DEMANDED BY GOG. ASANTE UNDERSTOOD AND ACCEPTED THIS BUT ASKED THAT BRITISH UNDERTAKE TO DO THEIR BEST. IT WAS FINALLY AGREED THAT WHERE A CONTRACT CANNOT BE PRODUCED GOG WOULD ACCEPT INSTEAD COPY OF PROMISSORY NOTE.

5. ASANTE HAD SOME PROBLEMS WITH LANGUAGE OF CLAUSE V-III-D OF CREDITORS' DRAFT AGREED MINUTE, BUT BAKER IS CONFIDENT THAT REDRAFTING OF CLAUSE WILL ELIMINATE

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FM AMEMBASSY LONDON

TO SECSTATE WASHDC PRIORITY 7763

INFO AMEMBASSY ACCRA PRIORITY

AMEMBASSY BONN PRIORITY

AMEMBASSY ROME PRIORITY

C O N F I D E N T I A L SECTION 02 OF 02 LONDON 01701

THE PROBLEM. FCO IS WORKING ON THIS AND NEW TEXT WILL
BE CIRCULATED SHORTLY.

6. ASANTE RAISED QUESTION OF RESUMPTION OF AID BUT THE
MATTER WAS NOT PURSUED. BRITISH INTERPRETED THIS AS
INDICATION OF REAL GHANAIAN INTEREST IN RESUMING AID.
ON MATTER OF ROME MEETING, LEQUESNE STRONGLY RECOM-
MENDED THAT GHANAIS TAKE DECISION PROMPTLY IN ORDER
PERMIT MEETING TO CONVENE ON MARCH 11. GHANAIS
SEEMED ANXIOUS TO HAVE MEETING PRIOR TO LEQUESNE'S
DEPARTURE FROM FCO. ASANTE LD LEQUESNE DID NOT
DISCUSS REPAYMENT TERMS, SINCE THIS SUBJECT WAS
COVERED PREVIOUS DAY WITH ASHLEY-LASSEN.

7. FCO WILL SHORTLY SEND OUT THREE TELEGRAMS TO
CREDITORS. FIRST WILL SUMMARIZE FEBRUARY 4-5 TALKS
WITH GHANAIS; SECOND WILL CONTAIN LEQUESNE'S
COMMENTS/SUGGESTIONS; THIRD WILL BE TEXT OF DRAFT
LETTER LEQUESNE PROPOSES SEND TO ASHLEY-LASSEN SUMMING
UP THEIR CONVERSATION IN LONDON. ASANTE AND ASHLEY-
LASSEN WILL RETURN TO ACCRA TO REPORT TO GOG, PRE-
SUMABLY EARLY NEXT WEEK.

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